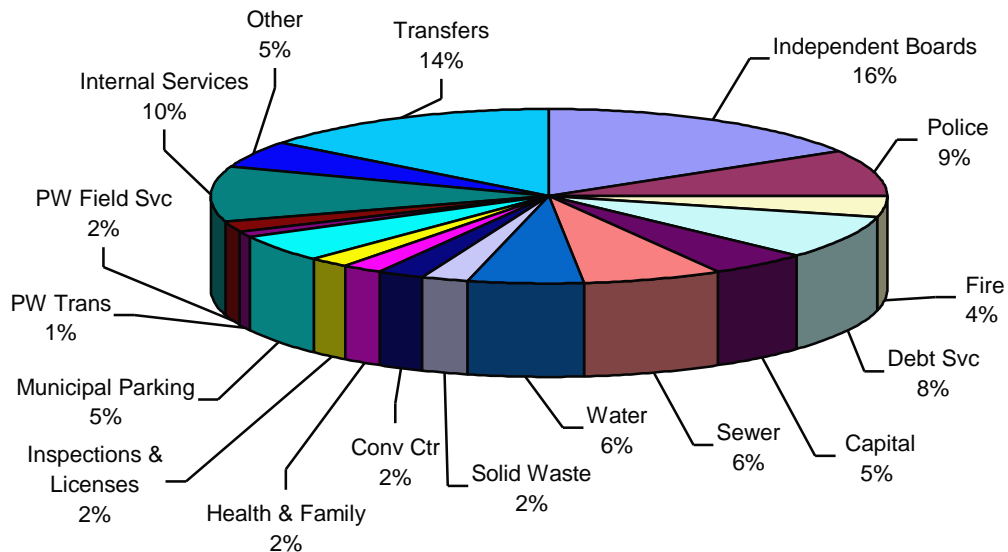


City of Minneapolis FY 2001 Adopted Budget Financial Overview

The 2001 adopted budget for all City funds represents a 1.4% increase from \$1,053 million to \$1,068 million in total expenditures from 2000 to 2001.¹ The adopted property tax rate is 43.2, a decrease of 1.2% from 2000 to 2001. This tax rate will provide an additional \$10.3 million, or 8.4%, in property tax revenue, an increase from \$122.9 million to \$133.2 million from 2000 adopted to 2001 adopted. The reduction in property tax rate of 1.2% results from the increase in tax base exceeding the increase in revenue. The tax base is projected to increase by 9.6% for taxes payable 2001, from \$328.3 million to \$363.0 million.

Below is a summary of the 2001 total adopted expenditure budget, including the Independent Boards and Agencies.

**City of Minneapolis
2001 Adopted Expenditure Budget by Service
\$1,068.0 Million (includes Interfund Transfers)**



The majority of the 2001 adopted budget, or 35.1%, funds basic city services such as police, fire, sewer, water, solid waste and recycling, and other public works services such as street maintenance and snow and ice control. The percent of resources directed towards these basic services will remain relatively constant from 2000 to 2001 budget.

¹ Total expenditures include inter-fund transfers of \$153.7 million.

City of Minneapolis Expenditures by Service (in millions of dollars)

	2000 Adopted Budget	2001 Adopted Budget
Police	\$90.2	\$93.9
Health and Family Support	\$21.2	\$21.6
Fire	\$38.4	\$38.9
Inspections and Licenses	\$20.9	\$21.7
City Attorney	\$8.6	\$8.9
Municipal Parking	\$51.1	\$52.4
Public Works Transportation	\$10.4	\$11.1
Public Works Field Services	\$19.8	\$21.9
Other Public Works	\$2.4	\$2.7
Sewer, Storm Water, Flood Mitigation	\$69.4	\$69.0
Water Treatment and Distribution	\$65.1	\$60.8
Solid Waste and Recycling	\$23.6	\$24.4
Convention Center	\$18.9	\$21.7
Internal Services	\$103.0	\$109.4
Other ²	\$36.0	\$42.6
Debt Service ³	\$79.9	\$87.8
Capital Improvement ⁴	\$50.7	\$51.1
Subtotal	\$709.6	\$739.9
<i><u>Independent Boards</u></i>		
Other ⁵	\$10.2	\$9.4
Youth Coordinating Board	\$9.3	\$7.6
Community Development Agency	\$76.7	\$58.9
Park Board	\$69.5	\$78.0
Library Board	\$20.2	\$20.5
Subtotal	\$185.9	\$174.4
Total Expenditures (without Transfers)	\$895.5	\$914.3
Transfers to Other Funds	\$157.2	\$153.7
Total Expenditures with Transfers	\$1,052.7	\$1,068.0

² Other includes management support services, internal services, grant programs, health and family support services, assessing services, and other management support and services areas, and others.

³ Debt service does not include debt service paid directly from proprietary funds or Independent Boards.

⁴ Capital Improvement does not include capital expenditures paid directly from proprietary funds or Independent Boards.

⁵ Other includes Board of Estimate and Taxation, Minneapolis Building Commission, and Minneapolis Neighborhood Revitalization Administration.

Below is a summary of the City's total revenues by major category. As shown, the majority of the City's funding comes from revenue from Charges for Service and the State of Minnesota. Although property tax revenue represents only 12.1% of the total, it is one of the major funding sources for the City's general services such as police, fire, street maintenance, and snow and ice control.

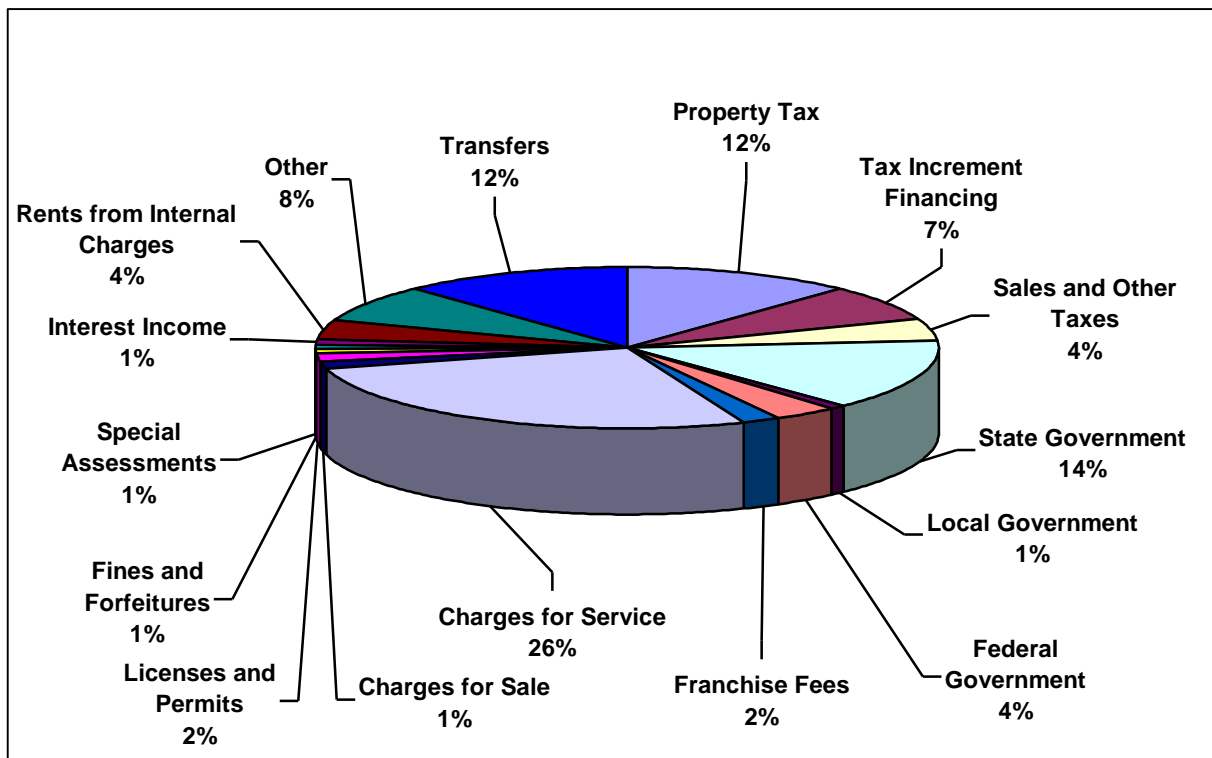
City of Minneapolis Revenue by Major Category (in millions)

	2000 Adopted Budget	2001 Adopted Budget
Property Tax ⁶	\$120.5	\$130.7
Tax Increment Property Tax	\$66.3	\$76.3
Sales and Other Taxes	\$45.8	\$48.6
State Government	\$147.3	\$152.9
Local Government	\$13.2	\$8.8
Federal Government	\$33.2	\$38.6
Franchise Fees	\$19.8	\$19.9
Charges for Service	\$272.0	\$291.4
Charges for Sale	\$14.8	\$14.8
Licenses and Permits	\$16.8	\$19.0
Fines and Forfeitures	\$6.9	\$8.0
Special Assessments	\$9.6	\$9.5
Interest Income	\$10.7	\$12.3
Rents from Internal Charges	\$37.3	\$41.6
Other	\$94.6	\$81.5
Subtotal	\$908.8	\$953.9
Transfers from Other Funds	\$145.9	\$130.6
Total Revenue ⁷	\$1,054.7	\$1,084.5

⁶ Property taxes are budgeted at 98% of gross levy to reflect anticipated delinquencies. For 2000 budget the general property tax was \$122.9 million, and \$133.2 million for 2001 adopted.

⁷ Total revenues exceed total expenditures, which represents the annual budgeted change in fund balance. The change in fund balance is mostly due to timing of capital projects and bond issuance.

City of Minneapolis
2001 Adopted Revenue by Major Category
\$1,084.5 Million (includes Interfund Transfers)



The City uses different "Funds" to account for the expense and revenue associated with the various services provided. The **General Fund**, which is where most of the property tax supported services are accounted for, represents 23% of the adopted budget for 2001.

The **Enterprise Funds** include services that the City provides that operate more like a "business" in that they are expected to generate a profit to cover capital purchases and related debt service requirements. Enterprise services of the City include such services as sanitary sewer services, storm water management, flood mitigation, water treatment and distribution, solid waste and recycling, and municipal parking.

Internal Services Funds are similar to Enterprise Funds in that they are used to account for services that the City provides that operate more like a business, however, Internal Service Funds primary customer is other City departments. Internal services include such services as information technology, equipment rental (i.e, police squad cars and fire equipment), and self-insurance.

Other Funds includes Special Revenue Funds where the proceeds of specific revenue sources are restricted to expenditures for specific purposes. Services accounted for in the Other Funds include such services and operations as the Minneapolis Convention Center, and other grant funded services.

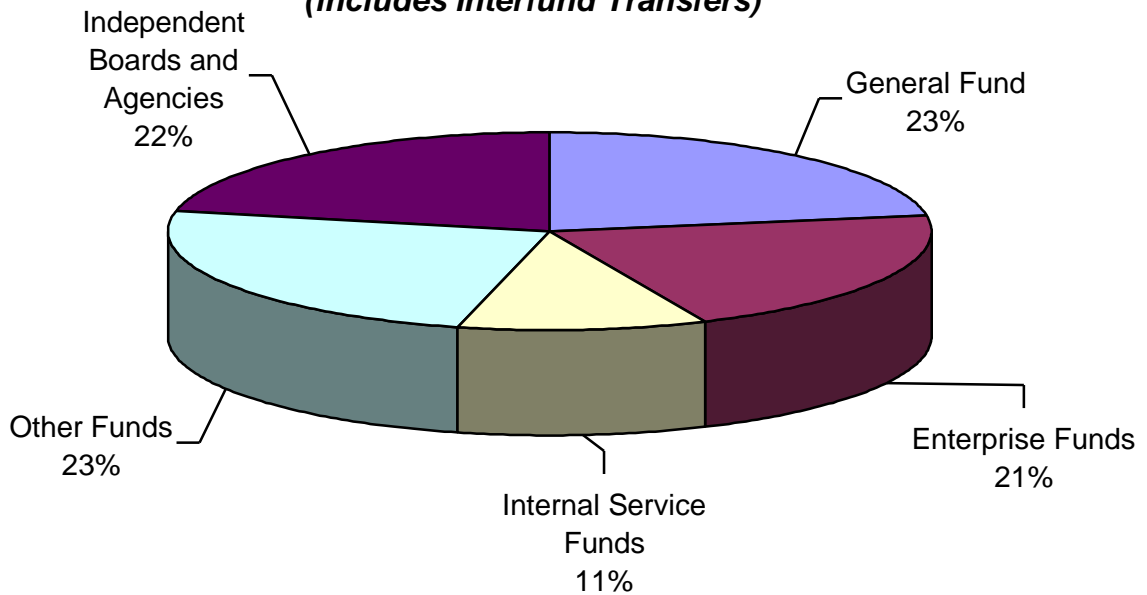
The **Independent Boards** include Board of Estimate and Taxation, Library, Park, Community Development Agency, Neighborhood Revitalization, Municipal Building Commission, and Youth Coordinating Board.

City of Minneapolis Budget by Fund (in millions)

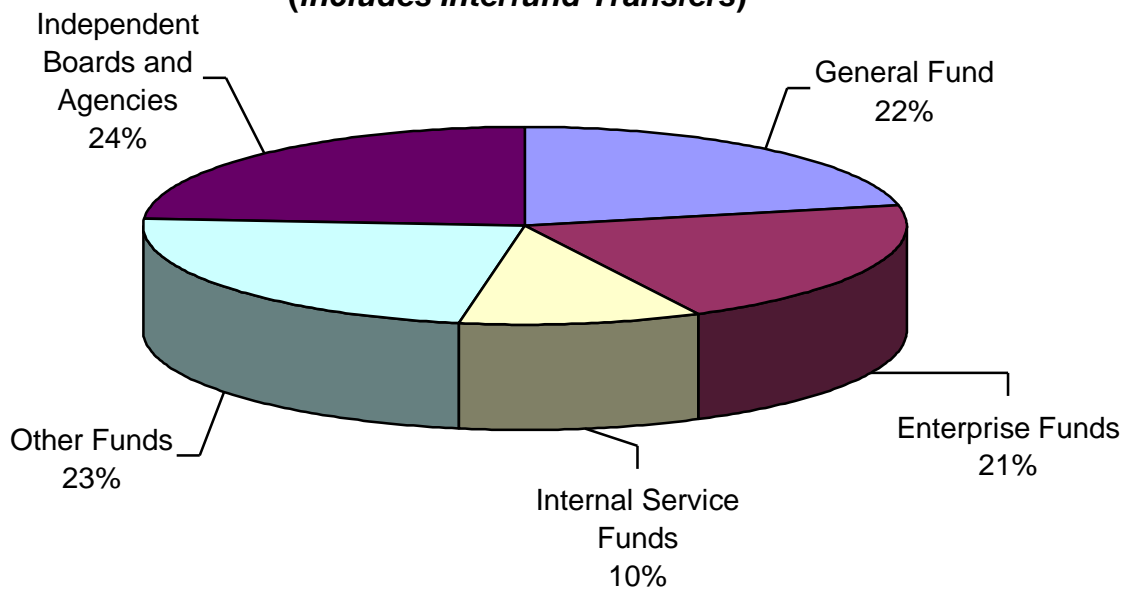
	2000 Adopted Budget	2001 Adopted Budget
<i>Expenditures:</i>		
General Fund	\$218.8	\$241.2
Enterprise Funds	\$225.1	\$221.7
Internal Service Funds	\$110.1	\$113.7
Other Funds	\$245.6	\$258.9
Independent Boards and Agencies	\$253.1	\$232.5
Total Expenditures	\$1,052.7	\$1,068.0
<i>Revenue:</i>		
General Fund	\$218.8	\$235.0
Enterprise Funds	\$221.0	\$224.6
Internal Service Funds	\$99.8	\$111.6
Other Funds	\$243.9	\$254.9
Independent Boards and Agencies	\$271.2	\$258.4
Total Revenue	\$1,054.7	\$1,084.5
Total Change in Balances ⁸	\$2.1	\$16.5

⁸ Total revenues exceed total expenditures, which represents the annual budgeted change in fund balance. The change in fund balance is mostly due to timing of capital projects and bond issuance.

**City of Minneapolis
2001 Adopted Expenditure
Budget by Fund \$1,068.0 Million
(includes Interfund Transfers)**



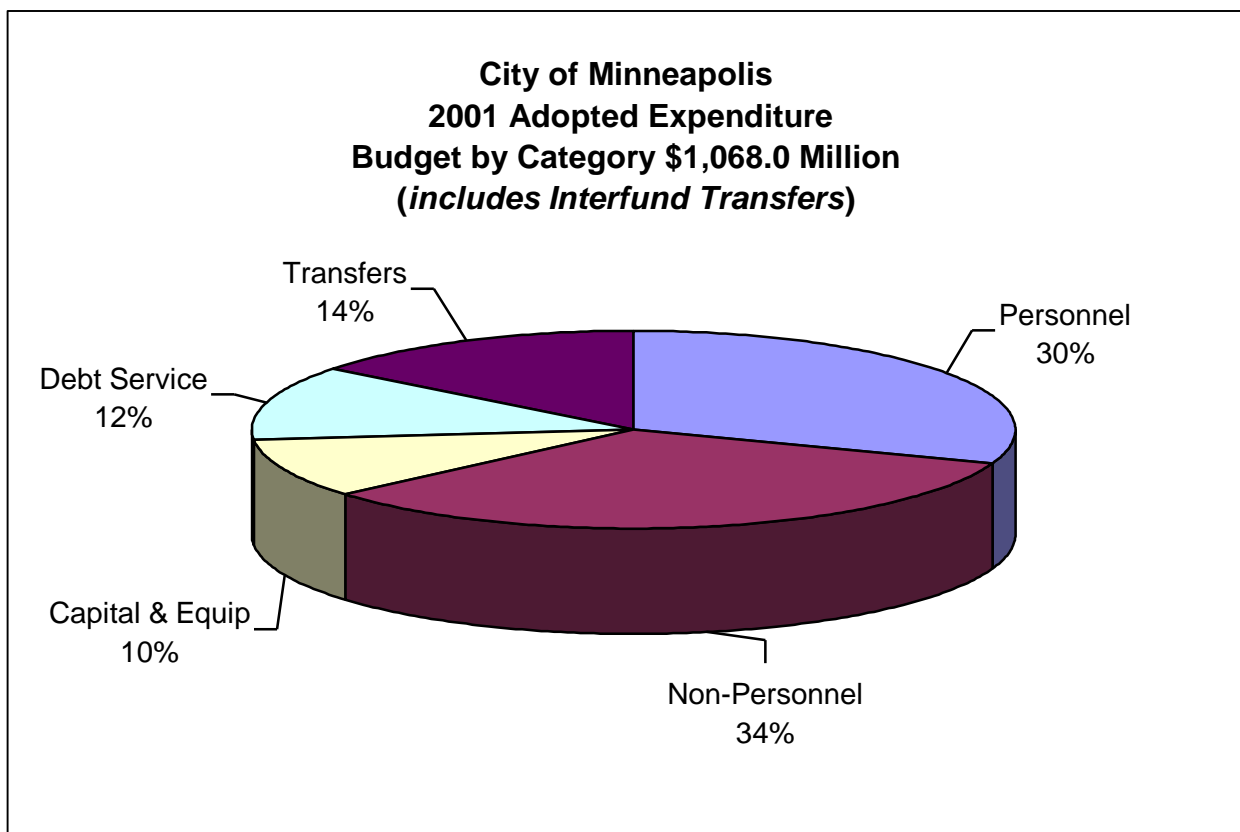
**City of Minneapolis
2001 Adopted Revenue
Budget by Fund \$1,084.5 Million
(includes Interfund Transfers)**



The majority of the City's budget is spent on personnel, \$325.0 million or 30% of the total budget. The 2001 budget includes an increase of 131 budgeted full time equivalent positions (FTE's). This is the net result of increases within the Independent Boards, Convention Center expansion, and targeted reductions within General Fund supported positions.

City of Minneapolis Budget by Major Expense Category (in millions)

	2000 Adopted Budget	2001 Adopted Budget
Full Time Equivalent Positions	5,903	6,034
<i>Expenditures:</i>		
Personnel	\$314.3	\$325.0
Non-Personnel	\$327.6	\$353.2
Capital and Equipment	\$122.1	\$104.5
Debt Service	\$131.4	\$131.6
Transfers	\$157.2	\$153.7
Total Expenditures	\$1,052.7	\$1,068.0



Financial Drivers for the 2001 Budget: City Council Funds

➤ Personnel

Total Spending. The 2001 adopted budget includes an increase in total personnel expenditures from \$314.3 million to \$325.0 million, or 3.4%. This increase reflects contracted and projected labor settlement agreements. Total full time equivalents (FTE's) budget changed from 5,903 to 6,034, an increase of 131 FTE's.

General Fund. Personnel expenditures for the City's General Fund have increased from \$154.7 million to \$162.5 million, or 5.0%, from 2000 to 2001.

Health Insurance. The cost of providing health insurance to City employees will be less in 2001 due to a successful negotiation with a new health insurance provider for the City. Health insurance expenditures are budgeted to decrease by 8.1%, from \$21.1 million to \$19.4 million, a \$1.7 million decrease for employer costs. This change reflects both changes in premium expense and changes in coverage, for example changes between family and single coverage. Total employee and employer costs would have been \$6.0 million greater if the City had not been successful in negotiating a new contract.

➤ Internal Service Fund (*Equipment Services and Information Technology Services*)

The 2001 adopted budget includes an additional \$2.0 million in base funding for internal city services: equipment services and information technology services (i.e., squad cars, fire trucks, and computers). For the last several years, due to other external demands, the revenue to support these internal services has not kept pace with the growth in expenditures. Significant negative cash balances have resulted because of annual expenditures exceeding revenues. At year-end 1999, the City's Internal Service Funds had a combined negative cash balance of \$32 million, an increase of almost \$15 million from 1998.

This adopted budget continues a commitment started last year, to raise additional base funding to eliminate the annual deficit spending within the Internal Service Funds.

In addition to demonstrating a commitment to eliminate annual deficit spending, this adopted budget includes a commitment to eliminate a portion of the accumulated negative cash balances (*internal debt*). The 2001 adopted budget provides for the potential transfer of \$5.2 million of cash from the General Fund to the Equipment Services Fund. The source of cash comes from the General Fund reserve that is excess of the 10% reserve policy for the General Fund. Currently, the excess reserve is designated balance that is referred to as the "rainy day" or "budget stabilization account". This action would reduce the year-end 2000 forecasted cash deficit for the Equipment Services Fund from \$19.9 million to \$14.7 million. However, before the cash would be transferred in 2001, the City would ensure that the General Fund had met the required 10% fund balance reserve policy at year-end 2000.

➤ **Information Technology Capital Investments**

The 2001 adopted budget includes \$10.1 million to complete the major information technology projects currently in development. Some of the major projects include Geographic Information System (GIS), Engineering Support, and Business Continuance and Disaster Recovery.

This investment for 2001 was anticipated in the recently adopted financial plan for the Intergovernmental Services Fund (Internal Service Fund) where the Information Technology Services Department is funded. In September 2000, the Mayor and City Council adopted a financial workplan for the Intergovernmental Services Fund which outlines a funding strategy for the \$10.1 million information technology investments in 2001 as well as funding for on-going operating costs of the Information Technology Services Department. This funding strategies including change to debt structure, identifying new revenue, and reducing operating costs.

➤ **Debt Service and Debt Reduction Program**

The 2000 General Fund current service level was adjusted to reflect an increase in property tax supported debt service of \$1.1 million related to \$8.8 million in legal settlement bonds issued in 2000.

Also included in the budget is \$900,000 for the City's debt reduction program. The debt reduction program is a plan to reduce the City's reliance on debt for funding on-going public works capital needs. The plan calls for an additional \$900,000 in base funding each year for 10 years in order to position the City for pay-as-you-go for capital expenditures. Since 1999, the City will have added \$2.7 million for debt reduction, including the \$900,000 for 2001 budget.

➤ **Infrastructure Investment**

Property Tax Supported--Public Works. The 2001 adopted budget includes \$14.3 million in base funding for Public Works capital. The adopted capital program includes a \$1.0 million increase for the Public Works "gap" closure program for the 2001 budget. This investment will be funded from a one-time transfer from the General Fund. Included in the Capital Improvement Program (CIP) will add \$1.0 million annually in base funding for infrastructure "gap" closure, beginning in 2003 through 2005. From 1999 to 2000, \$4.0 million of base funding has been added to the "gap" closure program.

Below is a summary of the 2001-2005 adopted CIP for Public Works infrastructure "gap" closure program.

Council Adopted 2001-2005 CIP for Public Works (in thousands)					
	2001	2002	2003	2004	2005
Base Program	\$14,281	\$17,136	\$15,971	\$15,754	\$16,373
Infrastructure "Gap" Closure Program	\$1,000	\$1,000	\$2,000	\$3,000	\$4,000
Total	\$15,281	\$18,136	\$17,971	\$18,754	\$20,373

Property Tax Supported--Park Board. The budget includes \$3.5 million in funding for Park Board capital. This includes \$2.0 million for the base program and \$1.5 million for the first year of the "gap" closure program for the Parks. The \$1.5 million for "gap" closure is included in the Park Board 2001 property tax levies.

Utility Fee Supported. The budget includes \$1.05 million in additional water and sewer related infrastructure expenditures "gap closure" as planned. This investment continues the City's commitment to closing the infrastructure "gap" for water and sewer services. The water and sewer 5-year utility rate schedule approved as part of the 2000 budget reflected this planned investment.

➤ **Park Board Services**

The Board of Estimate adopted levy for the Park Board includes a \$1.1 million increase above base funding to enhance the level of service within the City's Parks. Enhanced services will include more available service hours and security in the Parks.

Other changes to Park Board funding include the following reductions in funding from the City's General Fund and Community Development Block Grant (CDBG) funding:

- \$312,000 Reduction for Youthline (City General Fund)
- \$70,000 Reduction for Teen Teamworks (CDBG)
- \$50,000 Reduction for YMAP (City General Fund)

In addition, the Park Board will receive \$80,000 in CDBG funds or eligible capital.

➤ **Employee Pensions**

The required property tax funding for employee pensions was reduced by \$2.2 million as a result of the pensions reaching full funding status or improved funding status. The City has a reduced levy for the Police Relief Association as a result of increased state revenues. The Firefighters Relief Association no longer has an unfunded liability.

➤ **Targeted Reductions/Targeted Revenues**

To balance the General Fund budget, departments developed targeted strategies for cutting costs or targeted revenue increases. The adopted budget included a reduction in General Fund operating expenditures of \$3.1 million. This represented a 1.3% reduction in total expenditures for the General Fund, from \$241.8 million to the recommended \$238.8 million. These targeted reductions in General Fund expenditures were identified by the departments and recommended by the Mayor to achieve a balanced budget. Below is a summary by department of the targeted expenditure reductions, as well as the associated revenue strategies. The revenue strategies are discussed in more detail in this Financial Overview Section of the budget document. The Targeted Strategy Section of this budget document contains the strategies as submitted by the departments, including proposals the Mayor did not recommend.

Department	Targeted Reductions
Assessor	\$36,000
Attorney	\$122,000
Fire	\$750,000
Civil Rights	\$30,000
Planning	\$50,000
Police	\$1,010,000
Civilian Review	\$38,000
Health & Family Support	\$113,000
City Clerk & Elections	\$58,000
Coordinator's Area	\$331,000
Total Departmental	\$2,538,000
Non-Departmental:	
Park Board Youthline and YMAP	\$362,000
Coordinator's Area - Near North	\$100,000
Coordinator's Area - Central Library	\$88,000
Total Non-Departmental	\$550,000
Total Targeted Expense Reductions	\$3,088,000
Revenue Description	Revenue Increase
Building Code Inspections Fee	\$900,000
Human Resource Pmt from School Dist.	\$92,000
Impound Lot Towing Fee Increase	\$1,300,000
Park Board Police Service Pmt	\$204,000
Business License Fee Adjustment	\$25,000
Parking Ramp and Lot Increases	\$800,000
Environmental Site Fee	\$44,000
Total Targeted Revenue Increases	\$3,365,000
GRAND TOTAL	\$6,453,000

➤ **Decision Packages: Requests for Service Changes**

The Mayor's recommended decision packages for the General Fund totaling approximately \$1.3 million are included in the budget. Two of the requests will generate \$0.2 million in additional revenue and one of the requests is for equipment purchases for the Fire Department of \$0.1 million, which is a one-time outlay.

Mayor's Recommended:

- \$196,800 Fire equipment (breathing apparatus) and Fire Captain training
- \$100,000 Citizen survey and a report to citizens in support of the performance measurement initiative
- \$70,000 Inspections entry level zoning employees to help reduce the backlog of site plan reviews and conditional use permits
- \$600,000 Clean City Initiative
- \$74,000 City Council committee videotaping and remodeling costs
- \$75,000 Minneapolis Telecommunications Network operating expenditures
- \$40,000 Health and Family Support medical laboratory staffing – more then offset by \$50,000 in increased revenue
- \$115,000 Public Works mapping of utilities in Minneapolis – offset by increased revenue

The Council's adopted decision packages for the General Fund total approximately \$0.7 million additional expenditures. Three of the decision packages include offsetting revenue of \$0.6 million. Other Council adopted actions include an increase in General Fund revenue of \$1.3 million.

Council Approved:

- \$25,000 Minneapolis Telecommunication Network
- \$465,000 Public Works Infrastructure Maintenance "Gap" closure
- \$125,000 Inspections vacant building program – offset by increased revenue
- \$52,500 Contract payment for Domestic Abuse Project (DAP)

- \$232,000 Inspections un-permitted work program
– offset by increased revenue
- (\$55,000) Civilian Review Authority, eliminate 1.0 FTE
- \$55,000 Traffic Control Agent II for Light Rail Transit
- \$215,000 Environmental Health Specialist and Sanitarian I positions
– offset by increase revenue
- (\$300,000) Reduce Clean City Initiative
- \$200,000 Increase graffiti removal
- \$100,000 Anti-litter ad campaign
- \$40,000 Animal Warden position
- (\$204,000) Criminal investigations in the Park System will be funded by
the Police Department
- (\$55,000) Eliminate Council Member Asst/Aide position
- \$50,000 Dedicated airport staff in the Planning Department
- (\$200,000) Reduce Police budget and direct cuts within CCP/SAFE
- (\$50,000) Reduce contingency
- \$1,225,000 Increase parking meter rates from \$1.00/hr to \$1.50/hr
- \$44,000 Increase environmental fee from \$250 to \$500

Property Tax and Fee Changes for the 2001 Budget

➤ Property Tax Revenue

The 2001 adopted budget includes a \$10.3 million increase in property tax revenue, from \$122.9 million certified levy to \$133.2 million.

Below is a summary of the calculation of the City's property tax rate for 2001. The adopted 8.4% change in revenue is less than the 9.6% growth in tax base, therefore, the City's property tax rate will decrease by 1.2% from 2000 to 2001.

Property Tax Calculation (in millions of dollars)					
	2000 Adopted*		2001 Adopted*		
	Amount	% Chg from Prior Yr	Amount	% Chg from Prior Yr	Amount of Change from Prior Yr
Property Tax Revenue:					
Gross Levy	\$153.4	6.3%	\$163.7	6.7%	\$10.3
Less HACA	\$30.5	3.0%	\$30.5	0.0%	-
Net Levy	\$122.9	7.1%	\$133.2	8.4%	\$10.3
Less Fiscal Disparities Distribution	\$18.7	4.0%	\$20.3	8.7%	\$1.6
Net Spread Levy	\$104.2	7.7%	\$112.9	8.3%	\$8.7
Tax Base:					
Gross Tax Capacity	\$328.2	5.3%	\$363.0	10.6%	\$34.8
Less Fiscal Disp Contribution	\$42.1	5.0%	\$46.9	11.5%	\$4.8
Less Tax Increment	\$47.7	8.8%	\$54.7	14.7%	\$7.0
Net Tax Capacity	\$238.5	4.6%	\$261.4	9.6%	\$23.0
Tax Capacity Rate	43.7	2.8%	43.2	(1.2%)	

*Note: Percent changes are based on actual numbers, not the rounded figures shown in the table above. The net levy is before adjustments for anticipated delinquent taxes, which is estimated at 98% for budget purposes.

➤ Utility Fees

To fund investments for the City's sewer, flood mitigation, storm water management, and water treatment and distribution systems, the 2001 adopted budget combines an increase in utility rates of 33 cents from 2000 to 2001, a 7.3% increase will provide \$150,000 in additional revenue. This 1 cent increase will provide funding for sewer and water capital expenditures, in excess of special assessments, for the Near North capital project. The rate schedule adopted last year called for a 32 cents increase from 2000 to 2001; the Council's 2001 budget is 0.2% higher than anticipated for 2001. There have been no changes in recommended rate increases for future years beyond what was already adopted in the five-year schedule last year.

➤ **Towing Fee**

The 2001 adopted budget includes a \$50 increase, from \$75 to \$125, in the City's towing fee charged by the Impound Lot. This increase will result in the City of Minneapolis charging a rate that is comparable to the rate charged by neighboring cities. For example, St. Paul charges \$128 per "snow tow" and \$80 for other tows. This fee increase will generate approximately \$1.3 million in additional revenue for the Parking Fund. As part of the adopted budget, this revenue will be transferred to the General Fund to support general city services.

➤ **Building Code Inspection Fee**

Every three-years the City updates the Minneapolis Building Code Ordinance. However, the last time the City updated the fee structure was in 1995 for the code adopted in 1994. The current building code fee structure for the City is based on the recommended fee structure from the 1994 State of Minnesota code document. It is not mandatory for cities to impose the State recommended fee structure. However, the City has had a past practice of adopting the recommended fee structure. Therefore, to adjust fees to reflect the 1997 State recommended fee structure, the 2001 budget includes an adjustment to the fee of approximately 11% increase for projects under \$1.0 million and 33% increase for projects over \$1.0 million, which will result in an estimated \$900,000 increase in total revenue. The Inspections Division does not anticipate that the State will increase the fee structure next year.

➤ **Solid Waste Cart Fee**

The 2001 adopted budget plans for a \$0.75 increase in the per dwelling unit monthly rate. This rate increase will allow the City to fully cover the cost of providing solid waste services, including capital equipment replacement requirements.

➤ **Parking Ramp and Lot Rates**

The 2001 adopted budget includes an \$800,000 increase in parking ramp and parking lot revenue. The additional revenue will be generated through rate adjustments.

➤ **Parking Meter Rates**

The 2001 adopted budget includes parking meter rate increase for a selected downtown area. This rate increase will range for \$0.25 to \$0.50 depending on location. Other metered areas within the City will be reviewed for potential rate changes in 2001.

Property Market Values and Tax Base Highlights

Below is chart from the City Assessor's Office with estimated market values and corresponding tax capacity by group. As the data shows, residential property is estimated to have the greatest growth in value from 1999 to 2000. Estimated market value is the basis for determining taxes payable in 2001.

For Taxes Collected in 2001

Group	2000 Estimated Market Value	% Total	% Ch.	Tax Capacity	% Total	% Ch.
Commercial	4,538,081,809	23.8%	9.3%	149,594,860	42.4%	9.2%
Industrial	1,029,117,470	5.4%	15.7%	33,558,232	9.5%	16.3%
Residential	11,701,826,750	61.4%	22.2%	131,950,297	37.4%	10.8%
Apartment	1,774,716,274	9.3%	19.3%	37,861,187	10.7%	7.8%
Other	11,217,000	0.1%	19.4%	182,283	0.1%	18.8%
Total	19,054,959,303	100.0%	18.2%	353,146,859	100.0%	10.3%

The data above does not include personal property, which is estimated to be \$9,901,383 for 2000. With personal property included, tax capacity is estimated to increase by 10.6%, before deductions for tax increment finance and fiscal disparities.

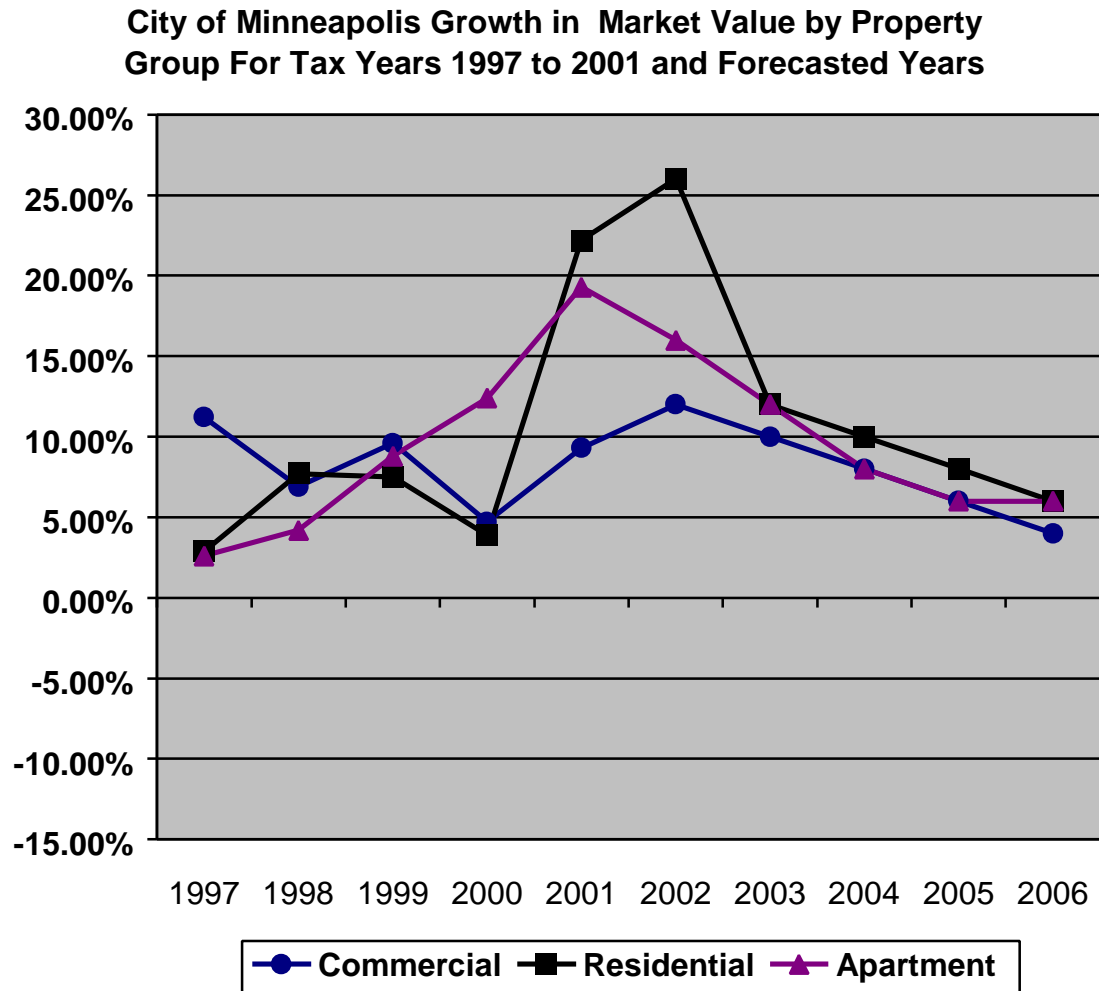
The following table of data provides the change in tax increment financing and fiscal disparities contribution and distribution for taxes payable 2001.

For Taxes Collected in 2001

Gross Tax Capacity	353,146,859
+ Plus Personal Property	9,901,383
- Less Increment Financing	54,740,800
- Less Fiscal Disparities Contribution	46,883,893
+ Plus Fiscal Disparities Distribution	46,401,909
Net Tax Capacity	307,825,458

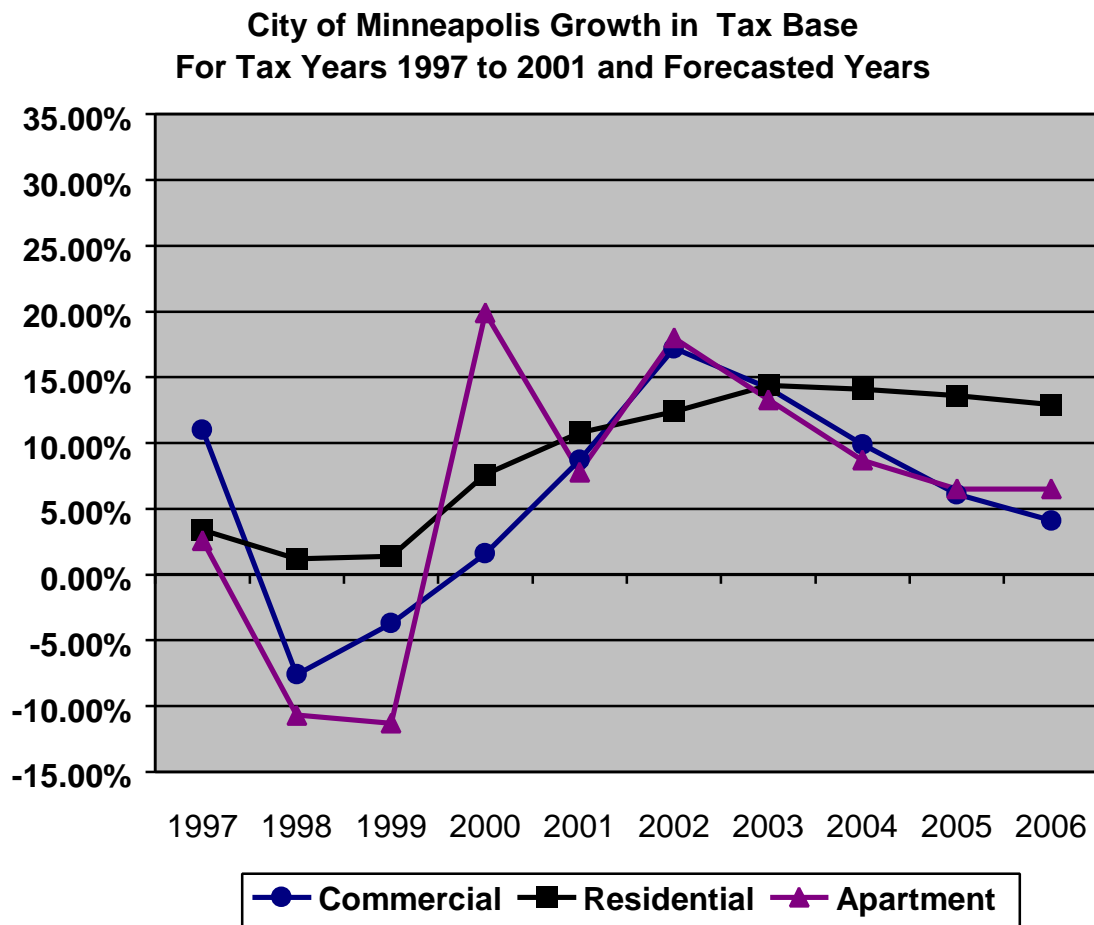
For purposes of calculating the property tax rate, the Fiscal Disparities Distribution is not included. Instead, the revenue distributed to the City from Fiscal Disparities is spread across the adjusted net tax base. The net tax base used to calculate the City's tax rate for Truth-inTaxation is \$261.4 million, a 9.6% increase from 2000 to 2001.

The graph below shows that growth in residential property has exceeded growth in commercial and apartments beginning in 2000. Forecasted market values show a flattening of growth in value beginning in 2003.



Source: City of Minneapolis Assessor's Office

The annual percent change in the tax base for the City of Minneapolis is forecasted to peak in 2002 and then begin to decline. This peak is driven by the forecasted growth in market value for the next several years. For forecast purposes, the classification rates that are used to calculate tax base are assumed to be constant. The major reason for the decline in the City's tax base in the late 1990's was due to State changes in classification rates within the various property classifications. The result was a decrease in the City's total tax base during this period.



Source: City of Minneapolis Assessor's Office

CITY OF MINNEAPOLIS

MINNEAPOLIS TAX RATES AND LEVIES

CITY FUNDS	1999		2000		2001 Adopted	
	Tax Capacity	Total Tax Levy	Tax Capacity	Total Tax Levy	Tax Capacity	Total Tax Levy
General	18.799	\$65,821,722	18.870	\$69,553,129	19.653	\$77,692,084
Police Personnel Expansion	1.546	5,016,000	1.401	5,016,000	1.278	5,016,000
Estimate and Taxation	0.039	138,000	0.039	144,000	0.037	151,000
Building Commision	0.886	3,019,000	0.870	3,092,000	0.815	3,158,026
Permanent Improvement	0.654	2,244,000	0.706	2,464,000	0.806	2,964,000
Bond Redemption	6.657	21,916,000	8.136	25,829,000	7.094	24,829,000
Firefighter's Relief Association	0.945	3,175,000	0.284	1,147,000	0.067	311,000
Police Relief Association	0.253	867,000	0.338	1,297,000	0.000	0
Minneapolis Employee Retirement Fund	1.182	4,056,000	1.201	4,389,000	1.066	4,301,000
Total City Other	30.961	\$ 106,252,722	31.845	\$ 112,931,129	30.816	\$ 118,422,110
Park Rehab. & Pky Maint.	0.253	850,000	0.244	850,000	0.000	0
Lake Pollution Control	0.044	148,000	0.042	148,000	0.121	439,800
Park and Recreation	6.333	20,698,000	6.629	22,411,000	7.361	26,770,375
Tree Preservation and Ref.	0.790	2,658,000	0.761	2,658,000	0.783	2,846,363
Shade Tree Disease Control	0.761	2,560,000	0.733	2,560,000	0.754	2,741,405
Sub-Total Park Board	8.181	\$26,914,000	8.409	\$28,627,000	9.019	\$32,797,943
Library	3.370	\$11,172,000	3.464	\$11,880,000	3.365	\$12,514,165
TOTAL CITY	42.512	\$ 144,338,722	43.718	\$ 153,438,129	43.200	\$ 163,734,218

NON-CITY FUNDS

2001 Truth in Taxation Maximum

Public Housing	0.372	1,000,400	0.351	1,000,500	0.321	1,002,000
Minneapolis Teachers Retirement	0.614	1,651,000	0.642	1,800,800	0.632	1,950,100
Minneapolis Public Schools	58.804	163,862,600	57.200	161,580,500	52.362	162,615,100
Hennepin County	36.849	108,981,000	35.557	111,005,400	33.780	114,408,600
Other Special Taxing Districts	7.007	21,712,700	6.938	22,667,900	6.693	23,689,300
Total Non-City	103.646	297,207,700	100.688	298,055,100	93.788	303,665,100
	146.158	\$ 441,546,422	144.406	\$ 451,493,229	136.988	\$ 467,399,318

NON-CITY FUNDS - Market Value Based Portion of the Tax Bill

	1999		2000		2001 Truth in Taxation Maximum	
	Market Value	Total Tax Levy	Market Value	Total Tax Levy	Market Value	Total Tax Levy
Minneapolis Public Schools Referendum	0.09459	17,615,200	0.13463	26,144,500	0.15084	32,419,500
Solid Waste Fee	0.01904	2,910,600	0.01847	3,042,400	0.01914	3,465,600

Notes:

Other special taxing districts include: Metro Mosquito Control, Metropolitan Council, MetroTransit, Park Museum, Hennepin County Regional Railroad Authority.

These figures do not include the Watershed district, which does not appear on all of the tax bills in the City.

CITY OF MINNEAPOLIS

Property Tax and Utility Rate Comparison

2000 vs 2001 Budget

(Property Taxes for Non-City Funds are at the maximum Truth in Taxation Amounts)

	2000 Value	2001 Value	Percent Change
City of Minneapolis Homestead Property Assessed Property Value	138,246	150,000	8.5%

	Annual 2000	Annual 2001	Change Monthly	Annual	Percent Change
Property Taxes:					
City Property Taxes	\$569	\$610	\$3.44	\$41	7.2%
Minneapolis Park Board	\$150	\$179	\$2.37	\$28	18.9%
Minneapolis Library Board *	\$62	\$67	\$0.40	\$5	7.7%
Total City	\$781	\$856	\$6.20	\$74	9.5%
Hennepin County	\$635	\$669	\$2.81	\$34	5.3%
Minneapolis School District	\$1,022	\$1,037	\$1.26	\$15	1.5%
Other Special Taxing Districts	\$142	\$151	\$0.81	\$10	6.9%
Total City, County, School and Special Taxing Districts**	\$2,581	\$2,714	\$11.08	\$133	5.2%

Utility Costs for Average Volume Consumer:

Water	\$165	\$181	\$1.33	\$16	9.7%
Storm Water, Sewer, Flood Mitigation	\$207	\$219	\$1.02	\$12	5.9%
Solid Waste and Recycling***	\$204	\$213	\$0.75	\$9	4.4%
Total Utilities	\$576	\$613	\$3.10	\$37	6.5%
Total Payment	\$3,156	\$3,326	\$14.19	\$170	5.4%

* Excludes referendum approved November 7, 2000

** Does not include market value referenda for non-city funds

*** Includes increase approved by the City Council during 2000

